

**SCHEDULE B**

**ILLINOIS MUNICIPAL ELECTRIC AGENCY  
POWER SALES RATE SCHEDULE**

- 1. **Applicability.** This Power Sales Rate Schedule is applicable to electric service for all requirements for municipal use and redistribution to retail customers purchased in accordance with the provisions of the Power Sales Contract, other than those requirements purchased under any other Rate Schedule, Rate Ordinance or special situation approved by the Board of Directors for the applicable period thereunder.
- 2. **Availability.** This Power Sales Rate Schedule is available to Participating Members of the Agency who have executed a Power Sales Contract.
- 3. **Character of Service.** Electricity furnished under this Schedule B at one or more Points of Delivery as set forth in Schedule A to the Participating Member’s Power Sales Contract shall be sixty-Hertz, three phase, alternating current.
- 4. **Billing Rates.** For electricity furnished under Schedule B, the related charges for each Billing Period shall be determined as follows:

**Demand Charges:**

|                         |  |
|-------------------------|--|
| Power Supply Charge     | \$9.50 per kilowatt (“kW”) of Billing Demand   |
| Delivery Service Charge | Members with delivery voltage less than 100 kV<br>\$7.06 per kilowatt (“kW”) of Billing Demand |

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| Members with delivery voltage of 100 kV or greater | \$5.47 per kilowatt (“kW”) of Billing Demand |
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| Facilities Charge | Any Member (i) who has access to an alternative feed for which IMEA incurs separate additional charges from a Delivery Service Provider, or (ii) who causes IMEA to incur charges from a Delivery Service Provider for facilities needed to correct the Member’s power factor, will reimburse IMEA the actual cost of such additional charges. |
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| Energy Charge | 35.00 mills per kilowatt-hour (“kWh”) for all Billing Energy |
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| Reactive Demand Charge | \$0.25 per kilo-VAr (“kVAr”) for each kVAr of Maximum Lagging Reactive Billing Demand |
| Cost Adjustments       | As set forth in Section 10 below  |

5. Billing Period. The Billing Period shall be as nearly as practical to a calendar month.
6. Billing Metering. The metered demand in kW each Billing Period shall be the highest 60 minute integrated demand (or corrected to a 60 minute basis if demand registers other than 60 minute demand registers are installed) measured during the Billing Period.

Demand and energy meter readings shall be adjusted, if appropriate, as provided in Schedule A of the Participating Member’s Power Sales Contract.

7. Billing Demand. The Billing Demand in any Billing Period shall be the metered demand for the period as determined under Section 6 giving effect to all applicable adjustments, including any additions or exclusions for all or part of the demand elements under any other Rate Schedule, Rate Ordinance or special situation approved by the Board of Directors for the applicable period thereunder.
8. Billing Energy. The Billing Energy in any Billing Period shall be the metered energy for the period as determined under Section 6 giving effect to all applicable adjustments as required, including any additions or exclusions for all or part of the energy elements under any other Rate Schedule, Rate Ordinance or special situation approved by the Board of Directors for the applicable period thereunder.
9. Maximum Lagging Reactive Billing Demand. The Maximum Lagging Reactive Billing Demand for any Billing Period shall be the highest hourly summation of the flow of reactive power from IMEA to each Participating Member during the Billing Period.
10. Cost Adjustments. The Agency shall apply adjustment factors as either charges or credits on the Participating Member bills as determined from the variance in the Agency’s demand and energy supply costs from those as calculated at the time of the Agency’s base rate determination or to distribute revenues associated with premiums charged to certain purchasers. Adjustments for variances in demand related costs shall be accounted for using the Demand Cost Adjustment (“DCA”). Adjustments made to credit the amount collected from the premium paid by new Participating Members after January 1, 2007 or other purchasers shall be accounted for using the Premium Credit Adjustment (“PCA”). Adjustments for variances in energy related costs shall be accounted for using the Energy Cost Adjustment (“ECA”). The DCA, PCA and ECA will be applied on the invoice following the applicable month of service but shall be applied to the demand or energy usage from the prior Billing Period. The DCA, PCA, and ECA are further defined below:

DCA: Demand related cost variance shall be computed monthly as the difference between the Agency's actual and base demand related costs. The resulting DCA factor for the period shall be calculated to the nearest \$0.01 per kilowatt, using the following formula:

$$DCA = \frac{SRDC - (9.50 \text{ times MBD})}{MBD}$$

Where:

SRDC is the total fixed costs of the Agency's System Resources used to serve the Agency's Participating Members during the prior Billing Period, which includes, but is not limited to, the following:

- (1) Capacity payments to generating Participating Members.
- (2) The demand related costs of all long term power purchased by the Agency. The costs of (or credits from the revenue from) long or short term bilateral purchases (or sales) of capacity; and charges or credits from the Regional Transmission Organizations that control the markets for the regions where the Participating Members are located, or their successors ("RTOs"), related to capacity. Charges and credits shall be deemed to be related to capacity, as opposed to energy or transmission, based on their designation in the RTOs' invoices and settlement statements.
- (3) One-half of the monthly debt service obligation associated with the financing of Agency-owned resources and facilities, to include one-half of the amounts sequestered by the federal government on a bi-annual basis related to Build America Bonds. The debt service obligation shall include any remaining capitalized interest once a project has been placed in commercial operations and shall be proportioned monthly based on historic monthly demand. The interest on any then-current line of credit or other short-term debt obligation approved by the Board.
- (4) The monthly fixed operations and maintenance expense associated with the production and transmission of electricity from the Agency's own resources.
- (5) A credit for the revenue collected by the Agency or charge for discounts given by the Agency related to the demand charges under any other Rate Schedule, Rate Ordinance or special situation approved by the Board of Directors for the applicable period thereunder, which currently includes the Hydro Backup Rate (See Resolution 94-6-318) and the versions of Rate Schedules B-6 and B-7 in effect prior to March 1, 2021.
- (6) A credit for the revenue collected by the Agency related to the Reactive Demand Charge.

(7) Credits for the revenues collected by the Agency related to Incremental Capacity Transfer Rights (“ICTRs”) and/or charges or credits related to any Regulatory Asset established by the Board.

(8) Other monthly fixed costs, credits or Agency obligations which are considered related to the supply of capacity to the Participating Members, and are considered appropriate to charge as a demand related cost by the Board of Directors.

MBD is the total kilowatt Billing Demand of the Agency’s Participating Members under Rate Schedule B for the prior Billing Period, excluding any applicable kilowatt Billing Demand billed under any other Rate Schedule, Rate Ordinance or special situation approved by the Board of Directors for the applicable time period thereunder, which currently includes the Hydro Backup Rate (See Resolution 94-6-318) and the versions of Rate Schedules B-6 and B-7 in effect prior to March 1, 2021.

PCA: The PCA shall be a credit paid monthly to the 29 Participating Members who executed a Power Sales Contract with IMEA prior to January 1, 2007. The premium shall be collected from the Participating Members who signed a Power Sales Contract with IMEA after January 1, 2007 and other purchasers on a monthly basis based on the appropriate rate methodology as contained in the respective Addendum to Power Sales Contract. The total premium amount collected from premium paying Participating Members and other purchasers shall then be credited to the 29 Participating Members who executed a Power Sales Contract with IMEA prior to January 1, 2007 based on the following formula, rounded to the nearest \$0.01 per kilowatt:

$$PCA = \frac{PR \text{ times } (-1)}{MBD29}$$

Where:

PR is the total premium revenues collected for the prior month from the premium charged to premium paying Participating Members and other purchasers under their respective Addendums.

MBD29 is the total kilowatt Billing Demand for the prior month of the 29 Participating Members who executed a Power Sales Contract with IMEA prior to January 1, 2007.

ECA: Energy related cost variance shall be computed monthly as the difference between the Agency’s actual and base energy related costs. The resulting ECA factor for the period shall be calculated, to the nearest \$0.00001 per kilowatt-hour, using the following formula:

$$ECA = \frac{SREC}{MBE} - 0.03500$$

Where:

SREC is the total energy related costs of the Agency’s System Resources used to serve the Agency’s Participating Members’ usage and the costs incurred by the Agency related to

administration and other utility operations during the prior Billing Period, which includes, but is not limited to, the following:

- (1) Fuel and generation payments to generating Participating Members.
- (2) The energy related costs of losses associated with transmission and distribution service charges.
- (3) The costs of all long and short-term energy and all short-term power purchased by the Agency; and charges or credits from the RTOs related to energy. Charges and credits shall be deemed to be related to energy, as opposed to capacity or transmission, based on their designation in the RTOs' invoices and settlement statements.
- (4) The monthly fuel and variable operations and maintenance expenses associated with the production of electricity from the Agency's own resources.
- (5) One-half of the monthly debt service obligation associated with the financing of Agency-owned resources and facilities, to include one-half of the amounts sequestered by the federal government on a bi-annual basis related to Build America Bonds. The debt service obligation shall include any remaining capitalized interest once a project has been placed in commercial operations and shall be proportioned monthly based on historic monthly demand.
- (6) An adder of 3.50 Mills/kWh – For the purpose of funding ongoing capital requirements and increasing the Agency's General Reserve Fund.
- (7) Current year Delivery Service Charge revenue in excess of delivery service expenses, which have not yet been placed into the Renewals & Replacements Fund or otherwise used to offset delivery service expenses ("Excess Delivery Service Revenues"), may be used at the discretion of the President & CEO as a credit in this Energy Cost Adjustment ("ECA") formula. Delivery service expenses in excess of Delivery Service Charge revenue for a given month shall be added to the ECA formula if and to the extent there are no remaining Excess Delivery Service Charge Revenues for the current fiscal year.
- (8) One-twelfth of annual Member incentive program amount for energy efficiency each month as approved by the Board of Directors. Credits for revenues from management contracts from other agencies or associations.
- (9) Other monthly operating costs, credits or Agency obligations which are considered related to the supply of energy to the Participating Members, and are considered appropriate to charge as an energy-related cost by the Board of Directors.
- (10) At the discretion of the President & CEO, up to \$1,500,000 of Rate Stabilization Account funds may be used in any month (up to a maximum of

\$6,000,000 in any one fiscal year) as a credit to SREC to reduce the rate impact to the Members caused by any extraordinary cost(s) which results in the average cost to the Participating Members exceeding a 10% increase over the same month of the previous year. If the President & CEO elects to use any Rate Stabilization Account funds for such purpose, then the funds will be recouped through a charge to the SREC over a period not to exceed the following 12 monthly periods.

MBE is the total kilowatt-hour Billing Energy for each Billing Period of the Agency's Participating Members.

11. **Adjustment for Service to Non-Participating Members.** Adjustments to the Energy Cost Adjustment may be made monthly to reflect the costs of service and revenues derived from sales by the Agency to non-participating member systems. The revenues from such sales shall be examined monthly on a case-by-case basis and any profits shall be credited to the rate stabilization account unless directed otherwise by the Board of Directors.
12. **Tax Adjustment.** In the event of the imposition of any tax, payment in lieu thereof, fee, surcharge, assessment, or any other similar charge, cost or payment, by any lawful authority, on the Agency for the purchase, production, transmission, or sale of electricity, the charges hereunder may be increased to pass on to the Participating Member its share of such tax, payment in lieu, fee, surcharge, assessment, charge, cost or payment.

Effective: January 1, 2022

Approved:   
Chairman

Issued by:   
President & CEO